



**Annual Report 1972**  
**The Hospital for Special Surgery**

The New York Society for the Relief of the  
Ruptured and Crippled  
Maintaining

The Hospital for Special Surgery

Margaret M. Caspary Clinic

535 East 70th Street, New York, New York 10021

Affiliated with

The New York Hospital/Cornell University Medical College



# Annual Report 1972

## The Hospital for Special Surgery

The Hospital for Special Surgery's central objective, refined during the course of its 110 years of continuing service, is to be—and remain—the finest center possible for the prevention and treatment of all ills that befall the human musculoskeletal system. To achieve this basic objective, through integration and parallel development of patient service, medical education, clinical and basic research a multiplicity of inter-related disciplines are jointly addressed toward a common end.

Stemming from our pursuit of this central objective are several significant examples of growth, which are in no way an end in themselves at The Hospital for Special Surgery. They include the following developments:

*In 1972 2,854 operations were performed at the Hospital for Special Surgery, 22% more than the number performed in 1966. Today our operating rooms are in service 5 days a week, 10 hours a day. With the objective of continuing to increase utilization of facilities, we look toward a point when operating rooms may be in service 7 days a week.*

*Last year 291,204 laboratory tests were made, an increase of 118% in the past 5 years. To meet these requirements, laboratory coverage is now provided on a 7-day-a-week basis.*

*In January, 1972, a screening clinic was opened where, at year's end, a total of 4,182 patients had been screened. Our objective is increased efficiency in handling out-patients by screening out those who cannot be handled by us; to direct patients, as quickly as possible to the appropriate clinic with the proper "work-up" ordered; to immediately treat those patients who cannot wait for a future appointment.*

*The Hospital's occupancy rate last year was 87.12%—highest in its history.*

*A total of 103,555 X-ray films were made last year; an increase of almost 20% in the past 5 years.*



*Henry U. Harris, Jr.*  
*President*

Over-all these facts indicate that the Hospital is meeting an important, self-imposed requirement: the need to increase utilization of costly facilities and manpower while executing even more demanding tasks.

In 1972, more than 1,000 patients every month received innovative prosthetic and orthotic service at 535 East 70th Street—an address recognized as special by uncounted others: physicians, scientists, students, nurses, educators, administrators, public officials...even taxi cab drivers. All of these men and women, some uniformed, some not, come to or through our doors daily; around the clock; around the year.

The Hospital for Special Surgery's publics are too many and varied to inform, let alone to thank, in adequate fashion by a recapitulation of the numbers. Statistically, The Hospital for Special Surgery's 1972 numbers do, in a sense, speak for themselves...with or without the dollar signs in front of them or the individuals in back of them. In this Annual Report, focused for the most part on the present and the immediate future rather than the past, we attempt to provide perspective, to suggest a dimension—human, medical, educational, financial—to the various entries on our current institutional balance sheet.

## **First Things First**

Before turning to these matters it is altogether appropriate to take note of the vital contributions made to The Hospital for Special Surgery by Robert Lee Patterson, Jr., M.D., who last year concluded nine years of outstanding service as Surgeon-in-Chief. His steadfast insistence on excellence created an atmosphere we must maintain. We are all grateful that Dr. Patterson's wise counsel will continue to be available to us.

We are, in turn, equally grateful to Philip Bastedo, who also retired last year after fourteen years of devoted service as President of The New York Society for the Relief of the Ruptured and Crippled, which maintains The Hospital for Special Surgery. We are pleased that he will continue to lend his experience and tireless energies to the Hospital as a Member of the Board of Managers.



*Philip D. Wilson, Jr., M.D.  
Surgeon-in-Chief*

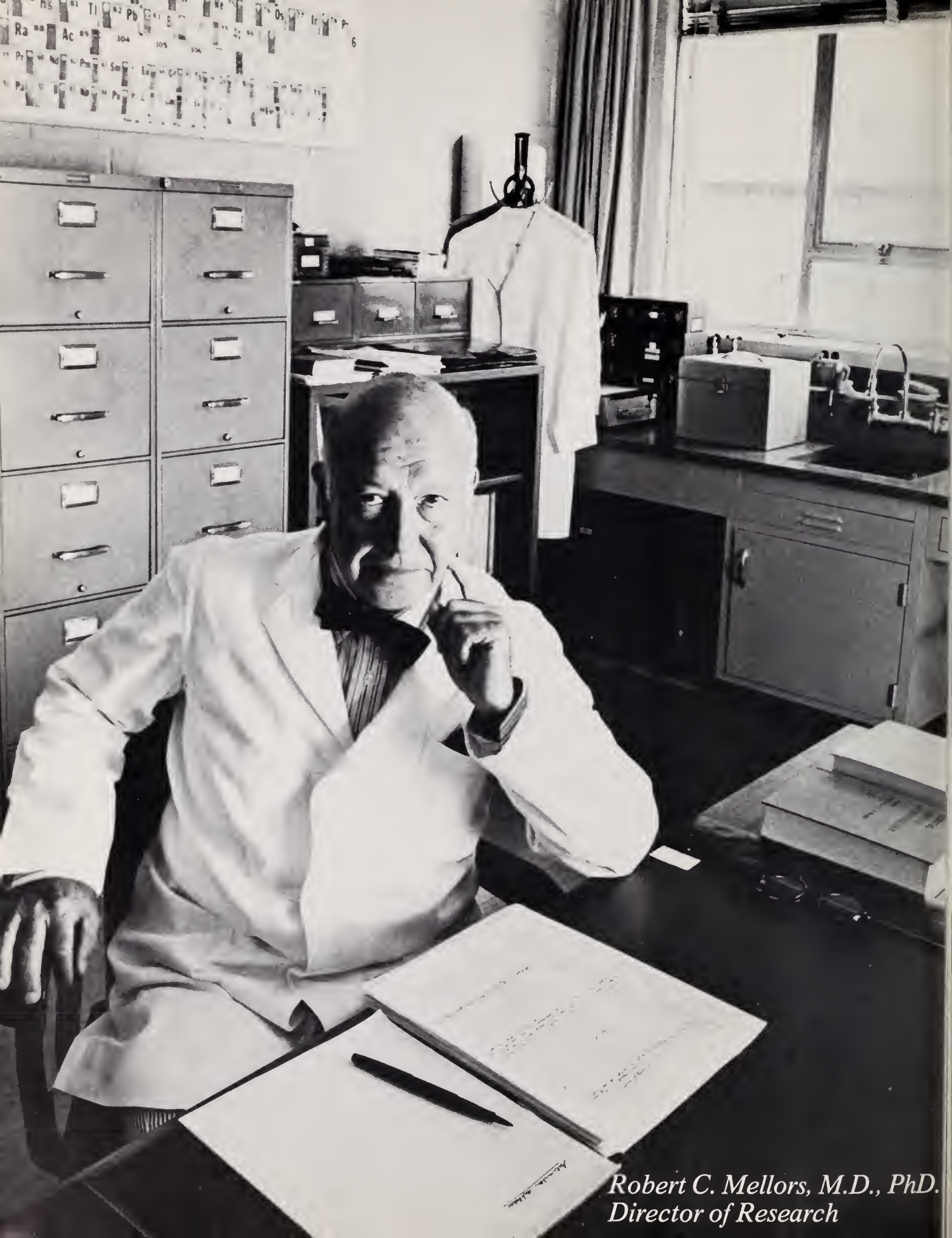
On July 1, 1972, Philip D. Wilson, Jr., M.D. became the Hospital's eighth Surgeon-in-Chief and Professor of Surgery (Orthopaedics) at Cornell University Medical College, a position held with distinction for years by his late father, Dr. Philip D. Wilson. At the same time Henry U. Harris, Jr. became the fourteenth President of the Society.

The leadership of Dr. Patterson, Mr. Bastedo and the late Dr. Wilson made possible the Hospital's progress on many counts. That progress would have not been possible, however, without the faithful participation and sensitive support of all the members of the Hospital family. Notable among these supporters are our Women's Auxiliary, the Hospital's spirited corps of volunteers, our contributors and the many friends responsible for the success of our annual benefits.

Perhaps the essence of the human quality underlying the joint endeavors of management, staff, auxiliary, volunteers and benefactors was best expressed posthumously last year in the bequest left to the Hospital by a former employee, a pantry worker. She retired from the staff in 1966 to the Little Sisters of the Poor Home in the Bronx. Upon her death, in April of 1972, we were notified that the Hospital was the beneficiary of her \$1,500 life insurance policy.

## **Objective Appraisal**

Last year the Hospital was surveyed by the Joint Commission on Accreditation of Hospitals and accredited for the next two years. The Hospital's Graduate Medical Education Program also was reviewed and approved by the Tripartite Residency Review Committee of the American Medical Association, the American Academy of Orthopaedic Surgeons and the American Orthopaedic Association. Objective, professional scrutiny, appraisal and support of this nature, although by now customary in the fields of medicine and education, is nonetheless a continuing and most useful stimulus and, if objectives are achieved and maintained, a source of encouragement.



*Robert C. Mellors, M.D., PhD.  
Director of Research*

# Internal Rearrangements

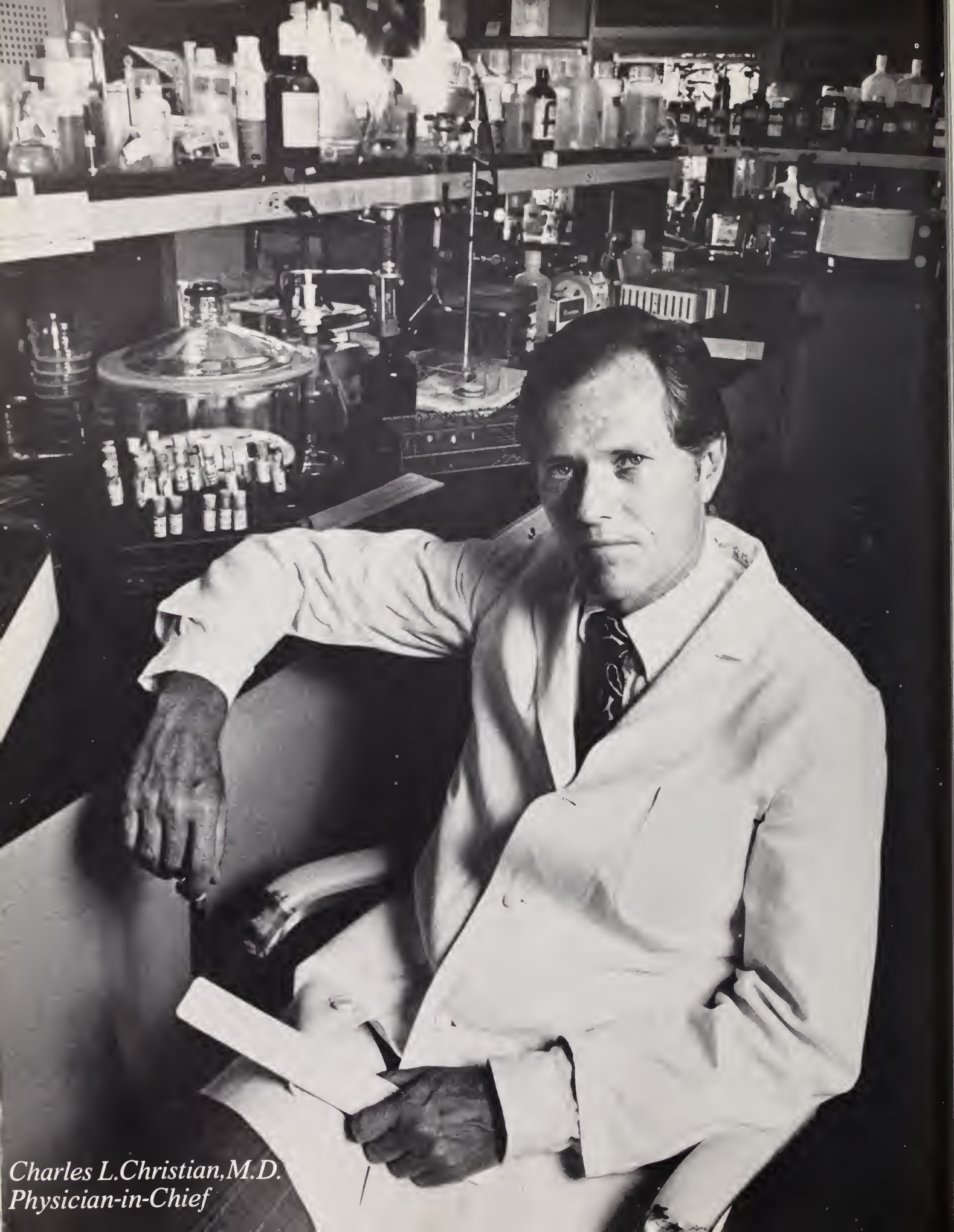
In 1972 our School of Practical Nursing was successfully relocated in new quarters nearby in the Guggenheim Building. This permitted a necessary expansion of our Clinical Laboratories and reflects, in part, an area of increased attention by management and staff at the Hospital. Within a fixed amount of space—presently nine floors encompassing 198,000 square feet—our expanding medical/educational/research functions has obliged us all to devote considerable time and serious thought to internal rearrangements of departments and services, avoiding easy but irresponsible decisions to simply add on new and expensive structures and real estate.

Such planning requires careful coordination between Medical and Administrative Staffs, the latter under the skillful direction of Administrative Vice President, T. Gordon Young.

## Air Rights; A Look Ahead

Management and staff attention to future space needs has been manifested in the Hospital's active and continuing interest in the project to acquire air rights over the East River Drive adjacent to the Hospital and the Research Building. This has been a joint effort involving our neighbor institutions: Society of the New York Hospital and Rockefeller University. This project, requiring the approval of the New York City Planning Commission and the New York City Board of Estimate, remains, insofar as the hospital is concerned, precisely what it has been outlined to be, a possible route for future vertical growth. As President Harris stated in an appearance before the New York City Board of Estimate:

*The Hospital is presently working with experts from a variety of disciplines in order to formulate long-range plans for the provision of total patient care in orthopaedics and rheumatic diseases, corresponding to continuing medical advances.*



*Charles L. Christian, M.D.  
Physician-in-Chief*

## **“HSS Knee Prosthesis”**

In his initial report to the Hospital's board, Dr. Wilson declared, in part:

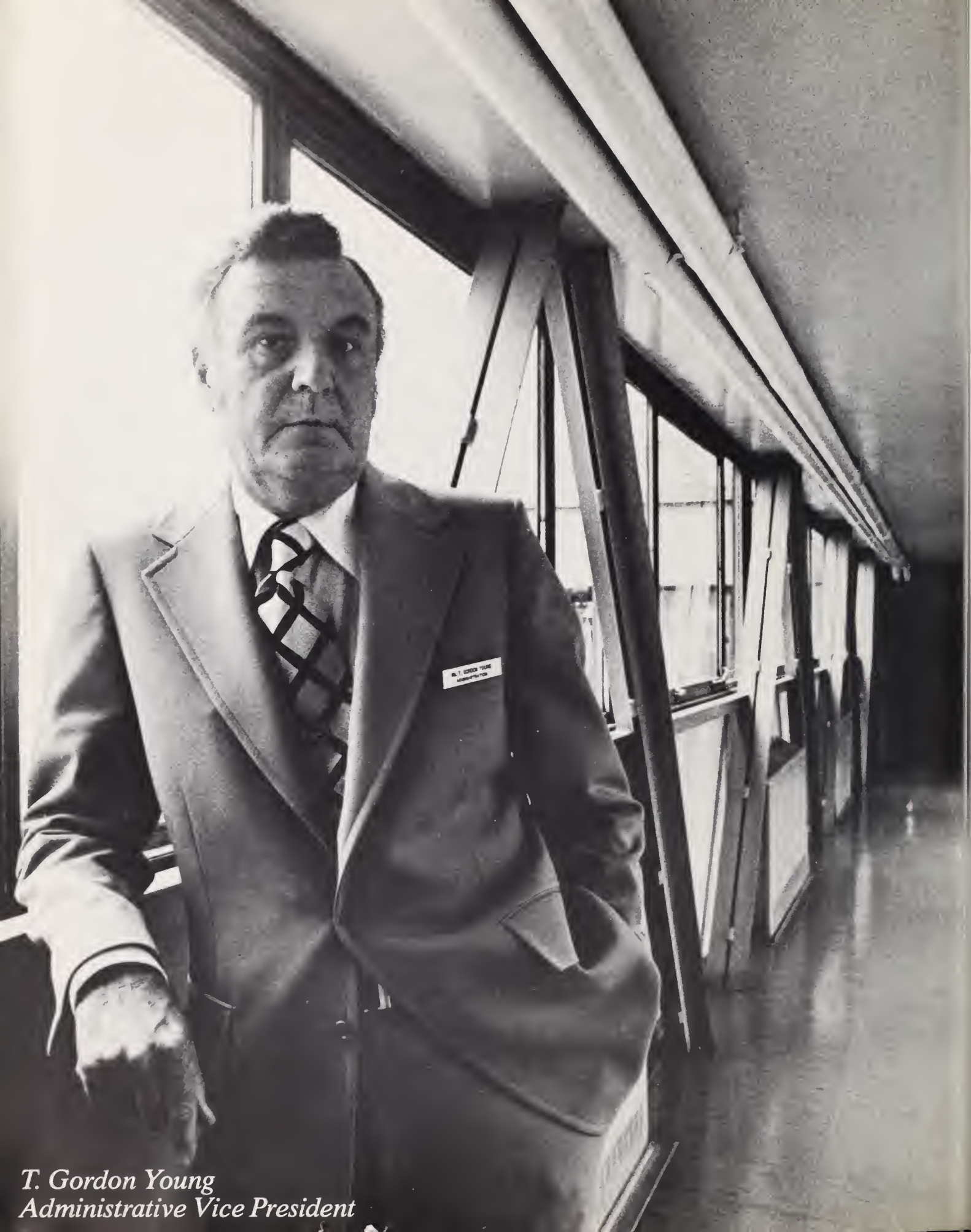
*Increase in quantity of service is one thing, but more importantly, quality of service has also improved across the board. The development of the knee prosthetic replacement program is especially noteworthy. Commercial production and general sale of the device—to be known as the “Hospital for Special Surgery Knee Prosthesis”—has now been recommended with confidence.*

The knee-joint prosthesis is a significant outgrowth of the Hospital's pioneering achievements in the basic and clinical research leading to the successful total hip replacement program. Last year at Special Surgery, 392 hip replacements were done; 79 total knee replacements.

Under the direction of Robert C. Mellors, M.D., Ph.D., our Research program has comprehended design and development of the knee-joint prosthesis by the Hospital's Bioengineering Department, one of a number of continuing projects. The program is divided into four major research divisions: Orthopaedics, Rheumatic Disease, Biochemistry and Pathology. Significant progress was recorded in 1972 in these areas: nuclear medicine; the bone disease Osteogenesis Imperfecta (“brittle bone” disease); biochemical studies on bone and related tissues at the molecular level and the nature and role of immune complexes in inflammatory joint disease (such as rheumatoid arthritis).

## **Federal Programs In Doubt**

No attempt at perspective on the present and immediate future at the Hospital...at any research-oriented, teaching hospital, for that matter...would be honest if it failed to take note of a cloud cover that has arisen. Reference is made here to the profound uncertainty that now surrounds uncounted existing medical research and medical education programs as the Federal Administration puts forward, in Congress, its medical and health-related proposals.



*T. Gordon Young*  
*Administrative Vice President*

After surveying 113 member institutions, The Association of American Medical Colleges has reported, for example, that if the Administration's proposed retrenchments and re-ordered priorities are adopted, its member institutions may be obliged to let go one of every twelve faculty members, reduce educational programs and halve existing support of basic and applied research.

Charles L. Christian, M.D., Physician-in-Chief, at the Hospital also took note of this "impending crisis" in his Annual Report to the Board of Managers, citing in particular the uncertainties now posed in the funding of fellowship and training programs:

*All of us who are dividing our time between clinical practice, administration, teaching and research are faced with a dilemma. We could easily devote all of our time to practice and thereby generate more income from that activity, but we would fail in our other missions. At the same time we have to accept the possibility that a greater investment in research might produce more income from grants and more rapid progress in finding the cause of arthritis.*

## **Interim Goals**

Planning for the renovation and internal expansion of the Hospital's operating room facilities is under way. A major opportunity exists to accommodate this primary need, and to provide much needed expansion of doctors' offices and administrative facilities by extending the Hospital's base rectangle from its current second floor level through the fourth (operating room) floor.

Collateral to such planning are reviews of other needs, together with studies of means to achieve needed construction with minimum disruption of all hospital services and activities. Plans for this undertaking and for its financing should be laid by the end of 1973.

Furthermore, if the Hospital is to achieve its central objective—to be and to remain the finest center possible for the prevention and treatment of all ills that befall the human musculoskeletal system, we intend to further establish or strengthen our positions in such areas as Metabolic Bone Diseases, Musculoskeletal Tumors, Transplantation and Joint (Cartilage) Degeneration. These areas and the facilities required for them will no doubt call for Hospital subsidization at the outset. Additional areas of attention include our service to patients, education and research in Bone Tumors and Sports Medicine.

In reviewing our objectives in these areas, the Surgeon-in-Chief notes:

*At all costs the Research Department activities and facilities must be preserved as an independent unit or the Hospital will take a step backward and lose its stature not only*



*generally speaking, but more particularly in the Medical Center of which we are now such a thriving and essential member.*

In our view, enlargement of the Research Building should be reserved for expansion of research activities only and if and whenever that becomes necessary—certainly not in the foreseeable future.

This does mean, however, that less essential services may have to be moved out of the Hospital building itself, consistent with the successful relocation of the School of Practical Nursing.

In this connection a new building, on property we already own across the street, would meet many of our problems, with the lower floors designated for certain Hospital services and the upper floors for living areas for personnel.

Special Surgery is on the move. We not only intend to keep pace; we intend to lead. To this end the support and encouragement of our many friends are imperative; with them the goals of excellence and accomplishment—to which our many people are devoted and dedicated—will be achieved.

Henry U. Harris, Jr.  
President

Philip D. Wilson, Jr., M.D.  
Surgeon-in-Chief

T. Gordon Young  
Administrative Vice President

# Officers and Board Members

## Officers

President:  
Henry U. Harris, Jr.

Chairman, Executive Committee:  
William H. Osborn, Jr.

Vice Presidents:  
Mrs. Edwin I. Hilson  
Marshall Rawle  
Charles H. Thieriot

Administrative Vice President:  
T. Gordon Young

Treasurer:  
Andre W. G. Newburg

Corresponding Secretary  
and Secretary:  
William H. Osborn, Jr.

Assistant Treasurer  
and Assistant Secretary:  
James D. O'Neill

## Members

Mrs. Harcourt Amory, Jr.  
Philip Bastedo  
Mrs. Horace Brock  
Mrs. Walker O. Cain  
Loring Catlin  
Paul J. Collins  
Mrs. Donald G. Dammond  
Mrs. Walter J. Fried  
Richard M. Furlaud\*  
Henry U. Harris, Jr.  
Mrs. Edwin I. Hilson  
Robert L. Hoguet, Jr.  
Mrs. Deane F. Johnson  
James C. Kellogg, III  
James F. Lawrence  
Lawrence W. Lowman  
David M. Mixer  
Andre W. G. Newburg  
William H. Osborn, Jr.  
Guichard Parris  
Thomas Parsons, III  
Samuel S. Polk  
Marshall Rawle  
Norman R. Ritter  
Arthur D. Schulte

## Honorary Members

Samuel S. Duryee  
Charles H. Dyson  
Mrs. Walter D. Fletcher  
S. Hazard Gillespie  
Mrs. John Holbrook  
Earl D. Osborn  
Richard N. Pierson, M.D.  
Mrs. John H. Reynolds\*\*  
E. Sheldon Stewart  
Charles J. Symington  
Reginald T. Townsend

# Medical Board

## Chairman

Philip D. Wilson, Jr.

## Secretary

Robert H. Freiburger

## Board Members

William D. Arnold  
Charles L. Christian  
John L. Fox  
David B. Levine  
Robert C. Mellors, M.D., Ph.D.  
Robert Lee Patterson, Jr., Ex Officio  
Lee Ramsay Straub

# Medical and Research Staffs

## Department Of Orthopaedic Surgery

Surgeon-in-Chief  
Philip D. Wilson, Jr.

Attending Orthopaedic  
Surgeons  
William D. Arnold  
Rolla D. Campbell  
John H. Doherty  
Alexander Hersh  
Allan E. Inglis  
Bernard Jacobs  
Peter J. Marchisello  
James A. Nicholas  
Lee Ramsay Straub

Associate Attending  
Orthopaedic Surgeons  
Sidney Eichenholtz  
John N. Insall  
David B. Levine  
Ralph C. Marcove  
Victor Mayer  
Leon Root

Assistant Attending  
Orthopaedic Surgeons  
Samuel Avnet  
Howard Balensweig  
Walther H. O. Bohne  
John P. Lyden  
John L. Marshall  
Chitranjan S. Ranawat  
Eduardo A. Salvati  
Konstantin P. Velis

Orthopaedic Surgeons to  
Out-Patient Department  
Michael Browne  
William J. Bruton  
Gary A. Gallo  
Robert A. Goldstone  
Joseph V. Hajek  
David G. Mendes  
Thomas D. Rizzo  
Irwin A. S. Spira  
N. D. Krishne Urs  
William J. Walsh, Jr.

\*Resigned 4/72

\*\*Deceased

## Department Of Medicine

Physician-in-Chief  
Charles L. Christian

Attending Physicians  
William H. Kammerer  
Irwin Nydick

Associate Attending  
Physicians  
Carl A. Berntsen, Jr.  
Abraham S. Jacobson  
Lawrence J. Kagen  
William C. Robbins  
Bernard Rogoff  
Emmanuel Rudd

Assistant Attending  
Physicians  
Harry Bienenstock  
Edgar J. Desser  
Martin Gardy  
Herbert Koteen  
Michael D. Lockshin  
Francis Perrone  
Paul E. Phillips  
Marcos Rivelis  
Robert Thoburn

Physicians to  
Out-Patient Department  
Richard L. Danehower  
Leroy H. Hunninghake  
Bento Mascarenhas  
Bruce Nitsberg  
Milton A. Wald

Assistant Physician to  
Out-Patient Department  
Robert Winchester

## Department Of Anesthesiology

Acting Director  
John L. Fox

Attending Anesthesiologist  
Anita H. Goulet

Associate Attending  
Anesthesiologist  
Thomas V. Miles

Assistant Attending  
Anesthesiologists  
Erlina L. Lobrin-Farcon  
Joseph E. Shahmoon

## Department Of Bioengineering

Director of Bioengineering  
Laboratory  
Peter S. Walker, Ph.D.

Director of Prosthetics  
and Orthotics  
Herbert E. Kramer, B.S.

## Department Of Laboratories

Director and  
Pathologist-in-Chief  
Robert C. Mellors, M.D., Ph.D.

Associate Director and  
Attending Pathologist  
Peter G. Bullough

Assistant to Director  
of Laboratories  
Tjongtik Goei, Ph.D. (Associate  
Attending Biochemist)

Assistant Attending  
Pathologists  
John F. Devlin  
Aquiles Villacin

Attending Hematologist and  
Director of Blood Bank  
Klaus Mayer

Assistant Attending  
Hematologist  
Lilian M. Reich

Attending Biochemist  
Jose Luis Granda, M.D., Ph.D.  
(Assistant Attending Physician)

Attending Immunologists  
Leonhard Korngold, Ph.D.  
Robert W. Lightfoot, Jr. (Assistant  
Attending Physician)

Attending Microbiologist  
\*Leon J. Kutner, M.D., Ph.D.  
(Attending Epidemiologist)

\*Resigned 9/16/73

## Neurological Service

Director  
Peter Tsairis, M.D., Ph.D.

## Pediatric Service

Director  
Wan Ngo Lim

Associate Attending Pediatricians  
Virginia Mitty  
Hart deC. Peterson

Assistant Attending Pediatricians  
Luther B. Lowe, Jr.  
William T. Seed

Assistant Pediatrician to  
Out-Patient Department  
Madelyn E. Olson

## Department Of Research

Director and Senior  
Scientist  
Robert C. Mellors, M.D., Ph.D.

Associate Directors and  
Senior Scientists  
Charles L. Christian  
Aaron S. Posner, Ph.D.

Senior Scientists  
Allan E. Inglis  
Leonhard Korngold, Ph.D.  
Klaus Mayer  
Robert F. Watson

Associate Scientists  
Lawrence M. Blau, Ph.D.  
Walther H.O. Bohné  
Peter G. Bullough  
Jose Luis Granda, M.D., Ph.D.  
Lawrence J. Kagen  
Leon J. Kutner, M.D., Ph.D.\*  
Robert W. Lightfoot, Jr.  
Michael Lockshin  
John L. Marshall  
Paul E. Phillips  
Peter S. Walker, Ph.D.

Assistant Scientists  
Foster Betts, Ph.D.  
Norman Blumenthal, Ph.D.  
Jane W. Mellors, Ph.D.  
Takashi Yoshiki

Research Associate  
Paul Tannenbaum, D.D.S.

Visiting Scientist  
Chen-Ya Huang, Ph.D.

\*Resigned 9/16/73

## Department Of Physical Medicine And Rehabilitation

Susan Greenwall, Director  
Leon Root

Physician to Out-Patient  
Department  
Willibald Nagler

## Psychiatry Service

Assistant Attending Psychiatrist  
James Warren Brown

Assistant Attending Psychologist  
David Clayson, Ph.D.

# Administration

## Department Of Radiology

### Director

Robert H. Freiburger

### Attending Physician

John Laughlin, Ph.D.

### Associate Attending

Radiologists

Bernard Ghelman

Jeremy J. Kaye

### Assistant Attending

Physician

Lawrence M. Blau, Ph.D.

### Assistant in Radiology

Robert Schneider

### Radiologist to

Out-Patient Department

James C. Hirsch

## House Staff

### Clinical Orthopaedic Fellows

Paolo Aglietti

Tyrone D. Artz

James R. Cole

Joseph R. Macys

Saghir U. Mir

Jeanne Pamilla

Jon Wang

James B. Wessinger

Dennis W. Wise

### Research Orthopaedic Fellows

Enrique Blazquez

Harry Robinson, Jr.

Roy Rubin

### Clinical and Research

Rheumatic Disease Fellows

Sidney R. Block

Teresita Go

William Gough

J. Steven McDougal

Ronald Saykaly

John Sergeant

### Research Fellow in Biochemistry

Adele Boskey, Ph.D.

### Visiting Research Fellow in

Immunopathology

Hiroshi Saito

## Emeritus Staff

T. Campbell Thompson

(Surgeon-in-Chief, 1955-63)

Robert Lee Patterson, Jr.

(Surgeon-in-Chief, 1963-72)

Richard H. Freyberg

(Director of Internal Medicine  
and Rheumatic Diseases, 1944-69)

## Consultant Staff

John Dorsey

Fakhry G. Girgis, M.D., Ph.D.

H. Mason Hicks

Thomas I. Hoen

Jacob C. Lifton

Myron R. Melamed

Arthur Okinaka

Sten-Erik Olsson, D.V.M., M.D., Ph.D.

Frank G. Pettengill

Alfred L. Scherzer

Peter H. Stern

John E. Sullivan

Robin C. Watson

### Administrative Vice President

T. Gordon Young

### Associate Directors

Monroe A. Hovey\*

Christopher G. Wilbur

### Financial Director

James D. O'Neill

### Director Of Nursing

D. Dean Smith, R.N., M.A.

### Director Of Personnel

Deborah Fuller

## Administrative Department Heads

### Admitting

Ellen Ritt

### Assistant Director Of Nursing, Nursing Service

Mary Jane Quatroche, R.N.

### Assistant Director Of Nursing, Nursing Education

Mildred Hallock, R.N., M.A.

### Building Services

Rose Cronin

### Business Office

Ted Meroe\*\*

### Clinic Nursing

Marjorie Pangas, R.N., B.S.

### Communication Services

Gladys Neustadter

### Comptroller

James Dillon

### Dietary

Peggy Webb

Roseleen Goldstone\*\*\*\*

### Engineering

Joseph Weiss

Joseph Lukas

### Fund Raising

Mary Ryan

### Laboratories

T. T. Goei, Ph.D.

### Medical Education

Jean McDaniel

### Medical Library

Kim Barrett

### Medical Photography

Dorothy Page

# Women's Auxiliary

# Volunteers

Medical Records  
Marjorie Walker, R.R.A.

Operating Room  
Ingrid Andersson, R.N.

Orthopedic Appliances  
Herbert Kramer

Out-Patient Department  
Katherine Risi

Pharmacy  
Vincent Conti

Radiology  
William T. Gregory\*\*\*

Receiving & Stores  
Clyde Bentham

Rehabilitation Medicine  
Judith Kurtz, R.P.T.

Research Administration  
Walter J. Schulz

Social Work  
Margaret Ryan, A.C.S.W.

Volunteers  
Virginia Roberts

Hospital Chaplains

Catholic  
The Reverend Joseph M. Reilly

Jewish  
Rabbi Sol Kahane

Protestant  
The Reverend Samuel Deibler

\*Resigned 7 14 72  
\*\*Resigned 4 20 73  
\*\*\*Resigned 3 2 73  
\*\*\*\*Deceased

## Officers

Chairman  
Mrs. L. Ramsay Straub

1st Vice-Chairman  
Mrs. William Arnold

2nd Vice-Chairman  
Mrs. David Reuter

Treasurer  
Mrs. Robert H. Freiburger

Assistant Treasurer  
Mrs. Harold P. Kurzman

Corresponding Secretary  
Mrs. Robert Lee Patterson, Jr.

Recording Secretary  
Mrs. Leon Root

## Active Members

Mrs. William Arnold  
Mrs. Charles S. Bannerman  
Mrs. Newcomb D. Cole  
Mrs. Edward I. Farley  
Mrs. Robert H. Freiburger  
Mrs. Walter J. Fried  
Mrs. Allan Inglis  
Mrs. Theodore Kaufmann  
Mrs. Christine P. King  
Mrs. Robert Kohns  
Mrs. Harold P. Kurzman  
Mrs. Llewellyn Lee  
Mrs. David Levine  
Mrs. Robert Lee Patterson, Jr.  
Mrs. Willis R. Phillips  
Mrs. Robert I. Powell  
Mrs. David Reuter  
Mrs. Leon Root  
Mrs. Herman Sokol  
Mrs. L. Ramsay Straub  
Mrs. T. Campbell Thompson  
Mrs. Sidney Voice  
Mrs. Armitage Watkins  
Mrs. Philip D. Wilson\*  
Mrs. Philip D. Wilson, Jr.

## Contributing Members

Mrs. Barton Alderson  
Mrs. Paul Arbon  
Mrs. Edward M. Armstrong  
Mrs. Horace Brock  
Mrs. Andre de Coizart  
Mrs. John Inglis  
Mrs. Walter D. Fletcher  
Mrs. Edwin I. Hilson  
Mrs. John Insall  
Mrs. P. Bell Phillips  
Mrs. Harold C. Richard  
Mrs. John Rutherford  
Mrs. Carl A. von Goeben  
Mrs. Thomas Wheelock  
Mrs. Henry Van D. Wing  
Mrs. Alling Woodruff

35 Years and Over  
Mrs. Philip D. Wilson\*

30 Years and Over  
Mrs. Benjamin Lorber

25 Years and Over  
Mrs. Willis R. Phillips  
Norma S. Wurzbarger\*

20 Years and Over  
Mrs. Charles S. Bannerman  
Mrs. Robert Geller  
Mrs. André Istel  
Mrs. John D. Sloane  
Mrs. Earl Van Derwerker  
Mrs. Armitage Watkins

15 Years and Over  
Mrs. Newcomb D. Cole  
Mrs. O. Vaughn Dennis  
Mrs. Max H. Friedman  
Mrs. Saul Goldstein  
Mrs. Raphael Meisels  
Mrs. Henry Numrich  
Mrs. Robert Lee Patterson, Jr.  
Mrs. David Reuter  
Mrs. George F. Rooney

10 Years and Over  
Mrs. William D. Arnold  
Mrs. Ivor Bevan  
Mrs. Jay Bresler  
Mrs. J. Howard Denny  
Mrs. Robert Kohns  
Mrs. William E. Parsley  
Mrs. Yolande Salzat  
Mrs. Lee Ramsay Straub

5 Years and Over  
Mrs. Sydney Berman  
Mrs. Sidney Blue  
Mr. Benjamin Cohen  
Miss Rosetta Darraugh  
Mrs. Edward I. Farley  
Mr. Salvatore Fazio  
Mrs. Robert Freiburger  
Mr. John P. Gibbon\*  
Mrs. Ide K. Halpern  
Mrs. Siegfried Hannah  
Mrs. Lisa Harper  
Miss Jessie Lee Johnson  
Mrs. Theodore Kaufmann  
Mrs. Juliane Koennecke  
Mrs. Murray Mandel  
Miss Esther Murrell  
Mrs. Walter Niklaus  
Mrs. Phyllis Bell Phillips  
Mrs. Robert Powell  
Mrs. Sidney P. Voice  
Mrs. Philip D. Wilson, Jr.  
Mrs. Paul Wolf  
Miss Elisabeth Wurzbarger  
Mrs. Elias Zavin

\*Deceased

# Comparative Balance Sheet as at December 31

## Assets

December 31,  
1972 1971

### General Fund

#### Current assets:

Cash .....	\$ 284,260	\$ 305,563
Accounts receivable for services to patients, less allowance for uncollectible accounts and contractual allowances of \$265,000 (1972) and \$232,000 (1971) (Note 2) .....	1,372,571	1,469,962
Due from reimbursing agency—rate adjustments (Note 2) .....	26,781	34,379
Loans and other accounts receivable .....	173,450	82,016
Inventories of materials and supplies—at cost .....	217,016	219,662
Marketable securities (quoted market \$12,149,000 and \$9,364,000) (Note 3) .....	7,348,850	5,737,142
Prepaid expenses and deferred charges .....	121,178	137,624
Total current assets .....	<u>9,544,106</u>	<u>7,986,348</u>
Noncurrent portion of loans receivable .....	128,599	161,100
Investments—at cost, or nominal value:		
Sutton Terrace Apartments (Note 4) .....	820,000	820,000
Other (Note 5) .....	2	2
Property, plant and equipment (Note 6) .....	<u>11,212,551</u>	<u>11,851,776</u>
	<u>12,161,152</u>	<u>12,832,878</u>
	<u>\$21,705,258</u>	<u>\$20,819,226</u>

### Temporary Fund for Designated Purposes

Cash .....	\$ 5,523	—
Marketable securities (quoted market \$735,000 and \$1,126,000) (Note 3) .....	762,281	1,145,477
Due from other funds .....	518,398	431,972
	<u>\$ 1,286,202</u>	<u>\$ 1,577,449</u>

### Research Fund

Cash .....	\$ 5,336	\$ 51,784
Accounts receivable:		
United States Public Health Service Research Grants (Note 11)	285,048	315,143
Other .....	29,907	1,276
Marketable securities (quoted market \$987,000 and \$693,000) (Note 3) .....	543,003	472,287
Due from other funds .....	7,094	97,771
	<u>\$ 870,388</u>	<u>\$ 938,261</u>

### Permanent Fund

Cash .....	\$ 34,822	\$ 22,155
Marketable securities (quoted market \$3,735,000 and \$2,937,000) (Note 3) .....	2,159,961	2,179,953
Due from other funds .....	—	14,134
	<u>\$ 2,194,783</u>	<u>\$ 2,216,242</u>

1972 and December 31, 1971

## Liabilities and Fund Balances

	December 31,	
	1972	1971
<b>General Fund</b>		
Current liabilities:		
Accounts payable . . . . .	\$ 394,201	\$ 544,561
Accrued salaries . . . . .	150,693	120,209
Payroll taxes payable . . . . .	13,391	16,624
Other current liabilities . . . . .	227,238	195,738
Current portion of mortgage payable . . . . .	20,421	18,810
Due to reimbursing agency—rate adjustments (Note 2) . . . . .	<u>62,000</u>	<u>—</u>
Total current liabilities . . . . .	867,944	895,942
Mortgage payable (Note 7) . . . . .	819,627	840,048
Reserve for insurance premium adjustments . . . . .	20,740	36,000
Due to other funds . . . . .	525,281	543,877
Fund balances:		
General Fund . . . . .	10,444,511	11,770,279
Depreciation Fund . . . . .	1,685,938	995,938
Board Reserved . . . . .	<u>7,341,217</u>	<u>5,737,142</u>
	<u>\$21,705,258</u>	<u>\$20,819,226</u>
<b>Temporary Fund for Designated Purposes</b>		
Accrued expenses . . . . .	\$ 20,000	\$ 190,064
Fund balances:		
Pinkerton Fund . . . . .	235,455	235,455
Second Century Fund . . . . .	423,353	579,968
Other funds . . . . .	<u>607,394</u>	<u>571,962</u>
	<u>\$ 1,286,202</u>	<u>\$ 1,577,449</u>
<b>Research Fund</b>		
Accounts payable . . . . .	\$ 58,440	\$ 110
Fund balances:		
United States Public Health Service Grants . . . . .	357,883	360,185
Outside foundation grants . . . . .	146,037	217,469
Institutional funds . . . . .	<u>308,028</u>	<u>360,497</u>
	<u>\$ 870,388</u>	<u>\$ 938,261</u>
<b>Permanent Fund</b>		
Principal—restricted as to use of income . . . . .	\$ 1,985,657	\$ 1,992,189
Principal—unrestricted as to use of income . . . . .	181,170	181,506
Unexpended balance of restricted income . . . . .	27,745	42,547
Due to other funds . . . . .	<u>211</u>	<u>—</u>
	<u>\$ 2,194,783</u>	<u>\$ 2,216,242</u>

See notes to financial statements

# Condensed Comparative Statement Of Income And Expense

For the year ended December 31, 1972 and December 31, 1971

	December 31,	
	1972	1971
<b>Hospital operating revenue:</b>		
Patient service revenue, net of allowances of \$1,561,158 (1972) and \$1,088,916 (1971) . . . . .	\$11,129,635	\$10,578,480
Other operating revenue . . . . .	<u>1,024,519</u>	<u>856,119</u>
	<u>12,154,154</u>	<u>11,434,599</u>
<b>Hospital operating expenses:</b>		
Salaries . . . . .	7,776,711	7,192,851
Supplies and expense . . . . .	4,353,424	4,085,751
Depreciation . . . . .	<u>769,104</u>	<u>724,186</u>
	<u>12,899,239</u>	<u>12,002,788</u>
Less transfers from other funds and other reimbursements of specific expenses . . . . .	<u>266,690</u>	<u>142,409</u>
	<u>12,632,549</u>	<u>11,860,379</u>
<b>Loss from hospital operations</b> . . . . .	<u>478,395</u>	<u>425,780</u>
Net general research loss . . . . .	<u>244,749</u>	<u>219,272</u>
<b>Loss from hospital and research operations</b> . . . . .	<u>723,144</u>	<u>645,052</u>
Nonoperating income (net) . . . . .	698,123	719,677
<b>Net (Loss)/Income</b> . . . . .	<u><u>\$ (25,021)</u></u>	<u><u>\$ 74,625</u></u>

See notes to financial statements

# Notes to Financial Statements

For the year ended December 31, 1972

## 1. Reclassifications

Certain reclassifications have been made in 1971 financial statements to conform to the classifications used in 1972.

## 2. Accounts Receivable for Services to patients and Patient Service Revenue

Revenues received under Medicare reimbursement agreements for inpatients and outpatients are subject to audit and retroactive adjustment. Provisions for estimated retroactive adjustments under these agreements have been made in the financial statements.

## 3. Marketable Securities

The basis of marketable securities is cost or fair market value of the securities at the date of gift.

## 4. Investment—Sutton Terrace Apartments

On August 1, 1969, the Society and five other institutions purchased, as tenants in common, the Sutton Terrace Apartments. The Society's 10% pro rata share of the cost of this investment was \$800,000. The Society has also made net working capital contributions totaling \$20,000 since the date of acquisition. The Society's 10% equity, based upon audited financial statements as of December 31, 1972 and December 31, 1971, was \$693,088 and \$728,026, respectively.

## 5. Investments—Other

This represents the nominal value of the Society's interest in two oil wells which were donated to the Hospital.

## 6. Property, Plant and Equipment

Property, plant and equipment, at cost, is summarized as follows:

	December 31,	
	1972	1971
Land .....	\$ 1,399,343	\$ 1,399,343
Buildings .....	12,806,071	12,595,988
Furniture and equipment .....	<u>4,556,561</u>	<u>4,318,931</u>
	18,761,975	18,314,262
Less accumulated depreciation .....	<u>7,762,968</u>	<u>6,776,380</u>
	10,999,007	11,537,882
Construction in progress .....	<u>213,544</u>	<u>313,894</u>
	<u>\$11,212,551</u>	<u>\$11,851,776</u>

Depreciation on equipment is computed by the straight-line method, based upon the estimated useful lives of the individual assets. Depreciation on buildings is computed by the sum of the years-digits method, based upon the estimated useful lives of the individual assets.

## 7. Mortgage Payable

The mortgage note, which bears interest at the rate of 8-1/4% per year, is collateralized by a mortgage on property owned by the Society, the carrying value of which is \$659,350. Combined interest and principal payments are due in monthly installments of \$7,414 (\$88,965 annually). The unpaid balance of the mortgage note becomes due and payable on May 21, 1991.

## **8. Pension Plan**

The Hospital has a noncontributory pension plan covering all employees who attain the age of 30, if hired prior to age 55. Employees' interest in the plan is 100% vested after fifteen years of credited service and the attainment of age 50, payable at normal retirement at age 65. Although contributions to the plan may be reduced or suspended at any time, it is the Hospital's policy to fund accrued pension cost currently. The total expense for the plan was \$117,691 and \$122,292 for the years 1972 and 1971, respectively. The portion of the Hospital's current payment into the plan to fund past service costs is estimated at \$42,000. The past service cost is to be amortized over the next twenty-eight years.

The Hospital also made payments to retired personnel not covered by the plan of \$41,326 and \$34,545 for the years 1972 and 1971, respectively.

## **9. Gains and Losses on Sales of General Fund Securities**

The American Institute of Certified Public Accountants has published an industry audit guide for hospitals effective for fiscal periods beginning on or after July 1, 1972. The financial statements for the year ended December 31, 1972 have not been prepared in accordance with the guide. The principles adopted will require that net gains and losses on sales of securities carried as assets of unrestricted funds be included in the statement of operations. During the years 1972 and 1971, respectively, the Society realized net gains of \$636,272 and \$203,354 on sales of securities carried as assets of the General Fund. These amounts were credited to the Board Reserved Fund balance in the General Fund and are not reflected in the statement of operations.

## **10. Adjustments of Prior Years' Income—Reimbursing Agencies**

Adjustments of prior year's income relating to settlements with reimbursing agencies, aggregating \$119,645 and \$199,100 in 1972 and 1971, respectively, have been credited to General Fund balance and are not included in the statement of operations.

## **11. United States Public Health Service Research Grants**

Awards for the years 1971 and 1972 are subject to audit by the government and retroactive adjustment. Also, overhead and fringe benefits charged to these grants and included in income amounting to \$243,037 and \$264,630 for the years 1972 and 1971, respectively, are subject to retroactive adjustment. Management's opinion is that no material adjustments will result.

## **12. Bicknell Trust**

The Hospital's General Research Fund is the beneficiary of income from this trust in perpetuity.

Board of Managers  
New York Society for the Relief of the  
Ruptured and Crippled, Maintaining  
The Hospital for Special Surgery and  
Margaret M. Caspary Clinic  
New York, New York

We have examined the balance sheet of the New York Society for the Relief of the Ruptured and Crippled, Maintaining The Hospital for Special Surgery and Margaret M. Caspary Clinic as of December 31, 1972 and 1971, and the related statements of operations, operations for general research funds, and changes in fund balances for the years then ended. Our examination was made in accordance with generally accepted auditing standards, and accordingly included such tests of the accounting records and such other auditing procedures as we considered necessary in the circumstances. As to contributions and legacies, it was not practicable to extend our examination beyond accounting for the receipts as recorded. Marketable securities owned at December 31, 1972 were confirmed to us by the custodian.

In our opinion, which with respect to contributions and legacies is limited to those recorded on the records, the aforementioned financial statements present fairly the financial position of the New York Society for the Relief of the Ruptured and Crippled, Maintaining The Hospital for Special Surgery and Margaret M. Caspary Clinic at December 31, 1972 and 1971, and the results of its operations for the years then ended, in conformity with generally accepted accounting principles, except for the accounting practice with respect to adjustments of prior years' income relating to settlements with reimbursing agencies as explained in Note 10, applied on a consistent basis.

TOUCHE ROSS & CO.  
Certified Public Accountants

New York, New York  
March 30, 1973

## **Contributions**

*Hospital for Special Surgery can only maintain its position in the forefront of patient care, education and research through the continuing loyal support of its friends and benefactors. We need gifts, grants and bequests to provide new equipment and facilities and to provide endowment for specific projects and activities.*

**Checks** *should be made payable to Hospital for Special Surgery.*

**Securities** *should be endorsed in blank or accompanied (preferably under separate cover) by an executed standard "stock power" form.*

**Bequests** *should be in the name of The New York Society for the Relief of the Ruptured and Crippled. Such bequests may be designated for a specific purpose. We will be happy to help you select one which is suitable.*

*As the Hospital is a non-profit institution, all gifts qualify for deductions in accordance with Federal and State laws.*

*For further information, please contact the Office of Administrative Vice President, Hospital for Special Surgery, 535 East 70th Street, New York, New York.*



